G. R. S. IX-5]

Previous references.

Banking 13-97 1898 99

~~191~~ .

File No. 5

Serial Nos. 1 — 12

Later references.

Banking 35-02

" 52-07

GENERAL AND REVENUE SECRETARIAT.

Serial Nos. 1 — 12

Part B for April '99

SUBJECT.

Report on the inspection of the Agricultural Bank at Hulkunte, Doddaballapur

---

7 D 68—GPB—50,000—24-7-16

Submitted Order 11(a)

Mr Cadogan is respectfully referred to the Defendants Counsel's Answer and Counter Claim and the Agreement of the Statement.

CAD

11.1.00

1) The report is made within 1 year & 3 months after the irregularities were pointed out & a more appropriate report called for on certain points.

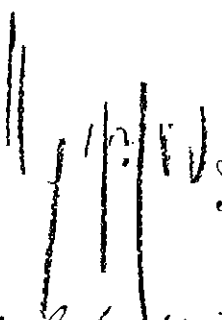
2) If the default referred to in para 8 of the Statement of Claim letter is wilful, the only remedy seems to be for the Board of Directors to take action under Art 73 of the Articles of Association

Reply as below 14/1/00

The Board should be called upon to take action under Art 73

on the unequal
terms treated by
the Auditor General
by the Bylaws to the
Inspector, it would
avoid what the
Auditor General
regards

12/00



Subject to write-draft

2/2/00

Kindly see my note dated 5/2/01 regarding the Gazette Notification dated 2/2/01 issued by the Commissioner of Income-tax (Appeals)-I, Chennai.

(1) Draft submitted.

(2) : Yes Sir. (Vide Note 10)

5/2/01

C. Sri -

Issue the passed draft

As regards the order referred in point 2 - why not say plainly that the order is not going to be printed & published in Reports in the monthly Vol?

5/2/01

(12)

Sir,

(1) As in the Column of 'Receipts' in the Statement appended to para 11 of the Inspector's Memo Rs 12,100 had been shown as "receipts" from Treasury it was considered both over and above the Sanctioned amount Viz Rs 12,000. The other particulars now furnished by the Inspector in his D.O. of 17-1-01 were not given in the said note. (para 11)

(2). No Sir -

(3). The file is herewith submitted.

Begging to be pardoned

Srinivasulu

22-1-01.

Seen (1) Please as r

Items Continued

The above orders were communicated to the Inspector of Agricultural Boards, who replies as follows:-

From the table attached to para 11 of the Inspector's Memo, it will be seen that the Board had paid, during the period, to Treasury the sum of Rs 1456.4.0 and that the Rebate amount, viz. Rs 100/4 was evidently not in excess of the sanctioned amount of loan - (Vide Expenditure Side) - Boards pay into Treasury what-ever is available and draw according to their requirements only up to or within the sanctioned

* Serial No 13.

⊗ His Letter No 102 dy 11.2.01.

†

X Serial No 9(a).

amount of loan. A
book is maintained
to shew payments made
to Treasury and the
moneys drawn therefrom.
Entries therein are
initialled by the Treasury
Officer. Thus the book
will shew readily the
balance at the credit
of the Bank. When
cheque for payment
is tendered. It is
therefore not possible
to apply or repay
excess amount. In
presenting a general
view of all the transactions
of the Bank up to date
of report, the total of
drawings is entered
on the 'Receipts Side'
and that of payments

5

12,100 · " · " (Receipt-Side)
1456 · 4 · 0 (Expenditure Side)
10,643 · 12 · 0

on the 'Expenditure Side' If the latter is deducted from the former, it can be found out the extent to which the loan was actually misdirected by Government - Under the head 'Government advance' of the Receipt × it is noted that the account of the advance outstandings against the bank at the date of inspection was Rs 10,643 · 12 · 0, i e Rs 13 56 · 4 · 0 less than the sanctioned amount of loan - There has been no excess payment by the Amildar.

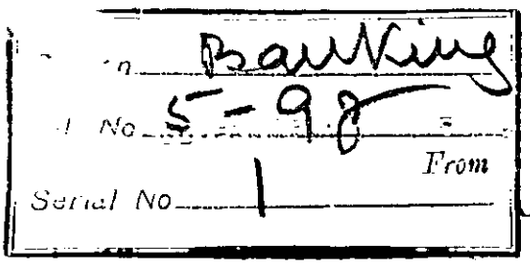
× Serial No 9a

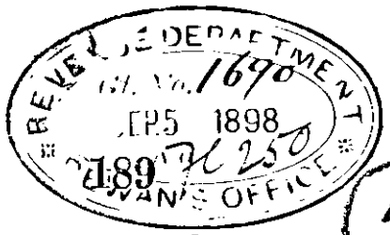
10,643 - 12 - 0
1,356 - 4 - 0
12,000 - 0 - 0
amount sanctioned -

- Draft is submitted for approval, recording the above report -

B

Secretary





5

The Dy Comm
Bangalore

To

The Secretary to the Govt. of Mysore,

Genl & Rev Dept.

Dated 3/9/98

Despatched

Received

General No. 307

No.

Enclosure No. Two

Subg the docket from the Inspector of Agricultural Banks in Mysore together with the Inspection Report on Hulkunte Agricultural Bank, Doddaballapur Tk.

References to be marked.

Please see the notes on the file put up 13/9 for 11-9-98 Draft order - The Govt & all the Bank Boards in the following Districts to be informed of the decision & observations with a view to [illegible]

11/9/98

Read 7/9 Submit

Submit file put up in para 6 about the Cash balance being found short in sections - 9/9/98

Submit Head Secretary The irregularity brought to notice

9/9

2

E8/99

Gen. 30]

1898-99 — Sr. 2

From

The Inspector of Agricultural Banks in Mysore.

To

The Secretary to the Govt. of Mysore,

General & Revenue Depts.

Thro' The Deputy Commissioner, Bangalore District

Dated

Despatched 31st August 1898

Received 2.9.98

General No. 95

No. 17

Enclosure No. 2

In reply to

SUBJECT.

Submitting his Inspection Report on the Agricultural Bank at Hulkunte, Doddaballapur Taluk.

References (to be entered only in the Dewan's Office).

Rev 579/98

No 307 Sr of 1898-99 Sr 2

Submitted to the Secretary to Government, General & Revenue Depts

W Rutherfurd

D C

3/9/98

No 95/17 dt 2-8-

3

Office of the Inspector of Agri=
Cultural Banks in Mysore

Dated, Bangalore 31st August 1898.

From.

The Inspector of Agricultural
Banks in Mysore.

To

The Secretary to the
Government of Mysore,
General and Revenue Depts.
Thro' The Deputy Commissioner,
Bangalore District.

Sir,

I have the honor to submit a report
on the Inspection of the Agricultural Bank
at Hulkunte, Doddaballapur Taluk,
made by me on the 29th and 30th June
1898.

I have the honor to be,
Sir,
Your most obedient Servant,

Inspector of Agricultural
Banks in Mysore.

4

Memo on the Inspection of the Agricultural Bank at Hulkunte, Doddaballapur Taluk, made by the Inspector of Agricultural Banks in Mysore on the 29th and 30th June 1898.

Sanction was accorded to the grant of an advance of Rs 12,000 in Government Proceedings No. 3772-75 † R.F. 36-97 of 22nd October 1897, for the benefit of Hulkunte and 8 other villages in the Doddaballapur Taluk.

† Serial No. 2 in Register

2. The Bank was incorporated as a company on the 11th January 1898 and the Bank Office was registered on the 12th February 1898.

3. There were 57 members at

at the beginning who owned property to the extent of 841 acres 25 guntas valued at Rs 23,624. Of these 9 were reported to have resigned their membership. These possess 123 acres 31 guntas of land worth Rs 5380. Nevertheless the properties of other members are a sufficient security for the amount advanced by Government. Entrance fee from 4 of the members has not yet been recovered.

4. There were held six General meetings, and none having been confirmed in accordance with Section 77 of the Companies Regulation they were rejected. Still insufficiency the holding of meetings have now been given.

5. The Cash Book has been written.

5

The auditor was most unpunctual in the discharge of
his duties

The local authorities threatened the Union if they were removed out of

6

written up Correctly. Hulkunte Ranganiah and Kondiya were given loans of Rs 100 each under Class I – upon the Security of immoveable property. As per rule 50 of the Articles of Association the rate of interest to be recovered from these should have been at 6 per Cent per annum and not 5½ per Cent as charged. The difference should now be adjusted. The following members were given hand loans without obtaining receipts from them. The amounts have, however, been recovered since.

Subbiya — Rs 30
Narasappa — " 30
Eva (on the Security of member Venkatachellah) — — " 10
Ranganna — " 20

Yr-11

made accounts were
Should be executed
in favour of Yr-11

Le

In future stamped receipts should be taken. The limit allowed for this Bank is Rs 20 for Imbadda or land loans; but in two cases above referred to, this limit has been exceeded. The Agent's attention was drawn to this.

6. The balance that should have been in hand as per Cash Book was 501-6-2; but when it was counted, there was only Rs 301-6-2 and the difference was with the President who said he had kept it with him for the past three months, and promised to pay interest thereon. He was directed to pay the same into the Treasury at once as there was no necessity for keeping such

Irregular

This is highly irregular

Has this been done? If not should be done at once

such a large balance in hand
The President is no doubt
a very respectable and well
to do man and is the guid-
ing spirit of the Institution.
He has not taken any loan
from the Bank.

7. From the Balance Sheet
enclosed, it will be seen that
the Bank has drawn the full
amount of advance sanctioned
viz. Rs 12,000 and granted
loans to the extent of Rs 11,800
to 37 of the members upon the
security of immovable proper-
ty, repayable by equal an-
nual instalments in five
years.

8. All the documents exe-
cuted in favor of the Bank
were examined. Almost

all

All the discharged bonds have been secured and lodged in the Bank Office. Only two members Rangama and Santhoji have not given the discharged documents. They were directed to produce them at once. It was noticed during inspection that these members were paying usurious rate of interest from 18 to 36 per Cent per annum. The establishment of this Institution has done them immense good.

Ledger and Property Register were not kept. Printed Books have since been supplied with full instructions.

Inspector of Agricultural Banks in Mysore.

Balance sheet of the Hulkunte Agricultural

	Capital & Liabilities				Amou		
I Debts due by the Bank	To Amount drawn by the Bank from the Government Treasury	12000	0	0			
	To amount received from Depositors	"	"	"	12000	"	
II Profits	To Interest accrued on loans under class I on the Security of immovable property	324	12	1			
	do under class IV Mukhadala or hand loans	1	9	6	326	5	
III Repayment of Loans	Amount received from members towards principal	90	"	"	90	"	
IV Reserve fund	To amount set aside from profits	75	-	-	75	"	
V Miscellaneous	Entrance fees	19	"	"			
	Other items	3	6	9	22	6	
	Total Rupees				12,513	12	

Profit a

By Establishment & contingencies		47	6
" Profits including the amount to be paid to Treasury towards interest		301	6
	Total	348	12

Office of the Inspector of Agricultural Banks in Mysore

31st August 1898

3

an R made upto 30th June 1898. 1681

Property and assets Rupees Amount

I. Debts owing to the Bank	Loans made on Class I upon the security of immovable property	11,800	"	"				
	do and Class II under data & hand loans	90	"	"	11,890	"	"
II. Interest	By amount paid into Treasury towards interest	"	"	"	"	"	"
III. Establishment	By Establishment	24	"	"	"	"	"
	do Contingencies	23	6	2	47	6	2
IV. Reserve fund	By Expenditure towards Reserve fund	75	"	"	75	"	"
V. Cash	Cash in hand	501	6	2	501	6	2
					Total Rupees	12,513	12	4

I Loss

To interest recovered						326	5	
Entrance fees &c.						22	6	
					Total	348	12	

Inspector of Agricultural Ba
in Bijapur one

11

Draft Orders

Read:—

Letter No. 95/17 dt. 31st August 198 from the Inspector of Agricultural Banks in Mysore, received thro' the Dy. Comm'r. Bangalore Dt. with his memo No. 307 dt. 3rd September 198, submitting a memo on the Inspection of the Agricultural Bank at Hulkunte, Doddaballapur Taluk, made by him on the 29th & 30th June 98.

Section Banking
File No C-98
Serial No 2

No 2421-2 dt 20/9/98
(H) RM 36-97

Order thereon.

The early attention of the Inspector of Agricultural Banks is drawn to the following directions & observations.

Reference to the Inspector's memo.

Direction or observation.

Para 3. "Entrance fee from 4 of the members has not yet been recovered."

The omission was most irregular and should be supplied at once.

Para 4. "Full instructions re the holding of meetings have now been given."

The local authorities should see that they are carried out.

Reference	Direction or observation
Para 5. "As per rule 50 of the Articles of association the rate of Interest to be re-covered from these should have been at 6 per cent per annum & not 5½ per cent charged. The difference should now be adjusted."	12 Yes.
"The following members were given hand loans without obtaining re-ceipts from them"	Such omissions should be guarded against in ~~the~~ future.
× ×	
"The limit allowed for this Bank is Rs 20 for "Imbadla" or hand loans, but in two cases above referred to this limit has been exceeded"	This is very irregular
Para 6. "The balance that should have been in hand as per cash book was Rs 501-6-2; but when it was counted there was only Rs 301-6-2 & the difference was with the President.	This is highly irregular. The Dy. Comm^r is requested to report if the difference, viz, Rs 200

Reference	Direction or observation
13	
ve was directed to pay the same into the Trea- sury at once"	has been paid into the Treasury as directed by the Inspector of Agri -cultural Banks. A Special report on the point should be submitted at once
2/ para 8. " Only two mem- -bers Rangama & Sauthoji have not given the discharge documents."	This should be insisted upon
para 9. - about Registers	The Ledger & Property Register ought to be kept in printed Books which are reported to have since been supplied to the Bank.

17-6-98.

Yr
Thlg/Sgd Secretary

To The Director - Bangalore
" " Inspr & Agriculte Banks -

14

4073
828
Je.
1899-1900

(7)

FROM The Dy. Commissioner, of the Bangalore District.

To The Secretary to the Govt. of Mysore

Dated 19th
Despatched 20th
Received December 1899

General No.
D No. 553
Enclosure No.

(6)

Govt. Pro No. 2421-2 &
2736-37
20th Sept. 1898.

Submits replies to the observations made by Govt. on the inspection Memo of the Agricultural Bankers Publications, Wood Bullocks &c.

Section Banking
File No S-98
Serial No 3

2
22.12.99 CS

File pertains
W.S. 4/1/800 Re
6.1.00

Bangalore District
Ly. Commissioner's Office
Bangalore Lg. Dec. 1899. 15

D. N° 553.

To The Secretary to the Government
of Mysore
Revenue and Genl. Depts.

Sir,

With reference to Government Proceedings N° 2421-2 (6) R. 7-36-97 of the 20th September 1898; making certain observations on the inspection memo of the Agricultural Bank at Halikunte, Doddaballapur Taluk, I have the honor to note below the replies to the above observations.

2. The Amildar reports that the cash book of the Bank is not maintained properly inasmuch as several transactions have not been attested by any member of the Bank, besides containing many unnecessary entries. It is also reported that all remittances to the Taluk Treasury have not

been shewn in the cash book. An extract of the Auditor's report has been forwarded to the Inspector of Agricultural Banks for taking such action as he may think proper

Reference to the Inspector's memo	Directions and observation of Government.	Dy. Commissioner's reply
Para 3. Entrance fee from 4 of the members has not been recovered.	The omission was most irregular and should be supplied at once.	The entrance fee of Rs 2/- is reported to have been recovered and paid to Taluk Treasury on the 15th July 1898.
Para 5. As per rule 50 of the Articles of Association, the rate of interest to be recovered from these, should have been at 6 per cent, per annum, and not 5½ per cent, as charged. The difference should now be adjusted.	Yes.	The Auditor says that from the accounts of the Bank, the deficit amount of interest appears to have been recovered.
× × × The limit allowed for this Bank is Rs 20/ for 'mabadla'	This is very irregular	Hand loan or mabadla made in excess of the prescribed

or hand loans, but in two cases, above referred to, this limit has been exceeded.

limit has been got back from the members concerned.

Para 6. The balance that should have been in hand, as per cash book, was Rs 501-6-2, but when it was counted, there was only Rs 301-6-2, and the difference was with the President. . . .

He was directed to pay the same into the Treasury, at once

This is highly irregular. The Dy. Commissioner is requested to report if the difference, viz, Rs 200/, has been paid into the Treasury, as directed by the Inspector of Agricultural Banks. A special report on the point should be submitted, at once

the amount in question was paid into the Treasury, as noted below.

Rs as-ps.
175-0-0 on 1-7-9
24-12-0 on 7-9-
0-4-0 on 20-10-
200-0-0

Para 8. Only two members, Ranganna and Santhoji, have not given the discharged documents.

This should be insisted upon.

Santhoji has tendered the bond due by him, while the other, Ranganna has not done so notwithstanding the issue of a notice

18

Para 9. About Registers.

The Ledger and property Register apt to be kept in printed books which are re- quired to have since been supplied to the Bank.

The Amildar Reports that Registers have been maintained in printed form

I have the honor to be
Sir
Your most obedient servant

Dy. Commissioner,
Bangalore District.

19

(8)

No. 5639 Dt. 5/2/00
R1756 5.

To

Banking

No 5 - 98

Serial No 4

The Dy: Commr.
Bangalore Dn.

His letter no 553 Dt
the 20th December/98,
re: the Hulikunte
agricultural Bank,
Doddaballapur
Taluk.

Referring to the
above, has the hon'ble
Minister the Dy: Comm'r
will call upon the
Board of Directors
to take action under
article 73 of the
Articles of Association
against the defaulter

Requested in not-
proceeding the discharged
bond as referred to
in the remarks made
against para 8 of
the memo, and to Sub-
mit, as quickly as
possible, a further report
on the irregularities
brought to notice
by the Auditor
referred to by the Dy:
Comptr to the Inspector
of Agricultural Banks

B O.

2-12-00

21

Gl. No. 4160
JUL 20 1900
306 1899 60/1901

(4)

From The Dy Commissioner
Bangalore District

Section Bankers
File No 5-98
Note No 5

To The Secretary to the
Government of Mysore
Revenue, Genl Department
Bangalore

Dated 18th
Despatched 19th } July 1900
Received

General No.
No.

Submitted
Secretary

Please see note No 5
in the margin
of the Inspectors
Inspection memo

21/7/00

Enclosure No. 1

Secretary Docket No. 5639
R1756
dated 5th February 1900

Draft a letter under
Registered cover
acknowledging the Dy
Commrs report
— Govt Judicial
& quarterly report
by 10th inst
Dec 1900.

25-7
21
31-7-00

26th 30.

Reports that the discharge
bond was duly received
in the Bank from the defaulter
Narayana, a member of the
Agricultural Bank and
recommends the continuance
of the Bank on the strength
of the

2
267 or

Submitted
File put up.
H. 23/7/00

D. V.

Bangalore District
Dy. Commissioner's Office
Bangalore 18. 5. 1900

To,

The Secretary
to the Government of Mysore
General and Revenue Departments.

Sir,

With reference to your docket No. 5639 / A. 1756 dated 5th February 1900, ordering the recovery of the discharged bond from Rangamma, a defaulter member of the Agricultural Bank at Hal Kunte, in the Doddballapur Taluk, and calling for a further report on certain irregularities in the keeping of accounts in the Bank, I have the honor to state that the discharged bond is reported to have been duly received in the Bank from the defaulter, and to forward, herewith, a memo of inspection of the Bank.

made by the Inspector of Agricultural Banks, dated 29th June 1900.

The Memo has been received through the Amildar of Doddaballapur, who recommends that the Bank, which is a boon to the public, may be continued, and if it is considered necessary, any further grant of loans to the parties may be stopped, and punctual repayment of standing loans insisted on, till the value of the property pledged becomes safe security for the loans granted. The Amildar's opinion is, presumably, based on his personal knowledge of the parties concerned, and I therefore beg to recommend that his suggestions may be accepted, and the continuance of the Bank ordered. The Amildar will be directed to carefully watch the affairs of the Bank under the new President.

I have the honor to be
Sir
Your most obedient servant

B. Rangaswamy

Dy. Commissioner,
Bangalore District.

24 (pt)

The Agricultural Bank at Hulkunte Doddaballapur Taluk.

(1) Incorporation:- This Bank was incorporated in January 1898 under certificate No. 22 of the Registra of Joint Stock Companies. A certified copy of Memorandum and Articles of Association is kept in the Bank.

(2) Registered office:- The office of the Bank is held, since its formation, in shop No. 91 Hulkunte which the Bank has obtained for use, by giving in lieu of it, for the shop-owner's use, a cattle shed of which he was in need and which the bank secured on mortgage for a sum of Rs 40 subscribed together by 40 of the members for the purpose. The shop being a small one, meetings are held in the temple close to the village.

(3) Villages within Bank's scope:- The number of villages brought within the Bank's scope as enumerated in the Memorandum and Articles of Association is 9. There has been no addition to it since.

9 villages.

(4) Members:- The following table shows the original and present number of members in the Bank:-

25

	Bahini	Sivaiha	Hathiya	Kamalpur	Byadar	Kishangarh	Bamnia	Mahuate	Piajpur	Total
No. as per Memo and Articles of Association	1	22	14	4	1	4	3	1	1	51
No. who out of the above had been ceased to be on the roll by resignation, removal or death as shown in the Register of members	-	6	6	1	1	-	-	-	-	12
No. re-admitted	-	1	2	-	-	-	-	-	-	3
No. at date of inspection	1	17	12	3	-	4	3	1	1	42

42 members

(5) Remarks:- In the Register of Members remarks are entered against 12 members that they had resigned and therefore been removed. Of these four had presented written resignations and the rest orally intimated their disinclination to continue as members on the ground that they could not get the loans applied for fully. Subsequently three of the members who had so resigned are stated to have pressed for the grant of such loans as the bank could give, and thereupon the directors are stated to have given them loans without obtaining applications from them for re-admission or getting a Resolution recorded re-admitting them. There is also no entry in the Register as to their re-admission; nevertheless they have to be regarded as having been re-admitted upon oral applications.

They might have been re-admitted formally the defect should be cured at the earliest opportunity

(6) Property of Members:- The subjoined statement shows particulars concerning the property of members:-

	Dry		Wet		Bagayat		Total		Value
At formation as reported to Government	760	6	67	30	13	29	841	25	23,624
Deduct lands claimed by a hissedar of one of the members	6	3	"	"	"	"	6	3	100
Ditto lands held by members who ceased to be on the Roll (exclusive of the 3 who had been since given loans)	117	15	12	30	2	9	132	14	3,950
Add lands not entered in the original property list submitted to Government, but proposed to be entered in the Property Register	45	15	7	"	1	39	54	14	985
Ditto lands newly acquired by purchase or Bankhast and proposed to be entered in the Register (approximate extent and value)	9	20	6	"	"	25	16	5	250
Net extent and value on date of inspection.	691	23	68	"	14	4	773	27	20,809

(7) (Remarks:— In the case of two members, namely Patel Chanbasregauda and Adde Hanmantraja certain lands entered in the original list submitted to Government had been excluded from the Property Register, and in the case of two others, Narandappa and Hanmantagauda (late President), certain lands held by them had not been entered either in the original list or in the Property Register. The lands so omitted were caused to be entered in the Property Register, excepting those of Hanmantagauda who had since resigned his membership, and the present President, Patel Chanbasre Gauda

Gauda has been asked to ascertain particulars of the lands newly acquired by him and enter them in the Register.

(8) Banks Funds:- The maximum limit of the Banks funds prescribed in the Articles of Association is Rs 30,000. This limit had not been exceeded. on the other hand the dealings of the bank were limited to the amount of advance obtained from Government.

(9) Government Advance:- Government have sanctioned for this bank an advance of Rs 12,000 in their Proceedings No. 3772-75 / RF. 36-97 dated 22nd October 1897. The amount of advance actually outstanding against the Bank at date of inspection was Rs 10643-12-0. The Bank offers to repay the government loan in 10 years. It has paid into the Treasury Rs 1356-4-0 and promises to pay by the end of this month Rs 143-12-0 to make up Rs 1,500. Steps will be taken to have this deducted from the amount of advance sanctioned and to ensure punctual payment of instalments.

(10) Deposits:- The bank held temporarily a sum of Rs 100 as deposits from some of its members who however withdrew the deposits within short periods. No deposit had been lodged by any non-member. The leading members of the Bank have been asked to exert themselves

Nil

27

No

-selves in the matter of encouraging deposits, and they have promised to do their best.

(11) General View of Bank's transactions:- A general view of the transactions of the bank upto date of inspection is given below:-

Receipts				Expenditure			
From Treasury	12,100	"	"	Paid to Treasury	1456	4	"
" Depositors	100	"	"	" Depositors (principal)	100	"	"
" Entrance fee	22	"	"	" Members (as loan)	12,610	"	"
" Interest	1288	6	11	" Government on account	853	1	3
" Loans repaid	1840	"	"	" Depositors (interest)	1	5	4
" Other items	"	6	"	" Establishment charges	133	"	"
				" Contingencies	27	8	7
				" Other items	31	9	"
Total	15,350	12	11	Total	15,222	12	2

Now 100 Rs. Were There. On Jan 1st Current A/c (12).

Cash Balance:- The limit of cash balance which may remain in the hands of the Board of Directors as prescribed in the Articles of Association is Rs 250. There had been numerous instances of this limit having been exceeded. The ex-President Hammanta Ganda had paid interest on the sum of Rs 200 held by him out of the cash balance as noted in para 6 of Mr. Chengaiah Chetty's report (vide letter No 95/17 of 2-9-1898) and the said amount of Rs 200 had been utilised to meet the application for loan from a member. From what the present

President

President and directors stated, there seemed to have been some misapprehension as to the power of the bank to withdraw sums paid to the Treasury, and when the nature of current Account was explained to them they said that they would take care not to exceed the limit in future and would even move the General Assembly to reduce the limit, which was too large for the requirements of the bank.

From the way in which the Cash Book had been kept there was difficulty in finding out the exact amount of the cash balance at the time of inspection; and the amount of such balance (approximately Rs 128/) was not wholly in the custody of the present Agent. He entered upon his duties without formally taking over charge of the office, books and funds from his predecessor, and the latter is stated to have promised to account for the Cash balance in his possession, about Rs 28, after his return from a trip on which he was absent. The Shanbhogue-director mentioned that sometimes members asked for and obtained receipts for full sums due though small fractions were not paid, and the proceedings of 12th June 1899 show that at least on one occasion portions of the cash balance were in the possession of or laid to be accounted for by three persons besides the Agent. The irregularity of such procedure and the risk incurred by such laxity have been pointed out

... the ... was ... his ... should not ... recur

out to the President and Agent.

(13) Limit of loans to individual members:—The limit prescribed in para 42 of the Articles of Association is — loans of class IV to a single member not to exceed Rs 20, loans of any other class not to exceed Rs 1000. The General Assembly had further ruled that loans should be limited to 50 per cent of the value of lands mortgaged to the bank. Subsequent General Assemblies, in fixing the amount of loan to be granted to each member according to his needs, found that the loans to some of the members would exceed the 50 per cent limit, but they were desirous of adhering to the limit and directed that such members should give the security of additional lands or of other members. The Board of Directors, however, exercised a wide discretion in granting loans, unrestrained by the rules of the General Assembly. Houses were admitted as security in addition to lands, and though in 17 cases as noted on the margin the loans given were in excess of 50 per cent of the value of both lands and houses mortgaged, security of other members had not been taken in any case. The ex-President Hanumanta Gauda explained with reference to this that he was obliged to show deference to directors' wishes but that the security in all cases was good and sufficient.

Cases where loans to members were obtained security

x Name	Per cent of loan to value of property
Basappa	58.1
Venkatarangaiah	78.8
Doddahanumaa	61.2
Bodnarasegauda	74.07
Chambasvegauda	61.8
Narasegauda	68.2
Chikkavenkappa	62.01
Siddappa	58.8
Eppanmaiya	60.9
Thimmula	64.9
Munnijappa	59.5
Subbegauda	80.3
Bairlingiah	66.6
Veeraswa	75.0
Santopee	79.1
Kondiacabi	58.8
Budrangiah	70.0

(14) Object for which loans were obtained:—Object of loans not specified in the applications

of

of members or in the Register, notwithstanding that clear instructions had been conveyed from this office that details as to both previous debts and agricultural purposes ... should be specified. From enquiry made it is seen that out of a total of Rs 12,620 obtained by members from the Bank Rs 10,632 was utilised to repay debts, thus:—

(1) Mortgage debts repaid and deeds produced — —	Rs 5,977
(2) Mortgage debts said to have been repaid, but deeds not yet produced — — — —	195
(3) Other debts repaid, in respect of which bonds and receipts produced — — — — —	3,643
(4) Ditto said to have been repaid but bonds etc. not yet produced ...	817

The balance of Rs 1988 is to be regarded as having been spent on agricultural purposes— Rs 100 stated to have been used for purchase of manure and Rs 400 for purchase of cattle. The present President and Agent have undertaken to recover the documents due relating to discharged debts at a very early date. They have been asked to ascertain and note details of agricultural purposes.

Nov 1922 Wrote see Head Office Note Nov 15 Done

(3) Interest and Penalty:— The bank has been issuing loans of classes I and IV only, charging interest at the maximum rates prescribed in para 50 of the Articles of Association. viz:—

Class I 6 per cent on sums not exceeding Rs 100
" " 5½ " " exceeding Rs 100

Class IV 1 pie per diem for every Rs 20.

Interest due from members, amounting to Rs

Rs 1287-11-7 upto end of last half year, had been fully recovered, and the bank had paid to the Treasury the interest due to Government upto end of that half year. [It may here be noted that while the interest due to Government for the last half year was paid to Treasury and debited in the Cash Book on the 3rd January 1900, the payment was shown in the monthly statement furnished to this office as having been made in December 1899. From what the Shanbhogue-director who prepared the monthly Abstract stated, the motive for making such incorrect entry in the Return seemed to have been to show that the payment was made within the time prescribed by Government]

Not proven

(16) Mortgages and Instalments:- Loans on the security of immovable property had been granted to 38 members aggregating Rs 12300 to be repaid in 5 years. At a meeting of the General Assembly held on 24th January 1899, a resolution was passed to obtain sanction for 10 years being allowed for repayment in lieu of 5 years. The ex-President Hanumanta-Ganda sternly opposed this, and for this his removal was resolved upon by the other members. The Proceedings of the members were, however, not valid as they had not been duly confirmed at a subsequent meeting and on the invalidity and impropriety of the procedure being pointed

pointed out to the members present at the Inspection they were willing to allow Hanumanta Ganda to Continue as President; and he at the Inspection evinced, as usual with him, a warm interest in the Concerns of the bank – until he was made aware of the payment made to Treasury in January 1900 having been exhibited in the December's Return of the Bank, when feeling that he could no longer hold the office without great risk to himself and his reputation, being an illiterate man living 4 miles from Bank house, he resigned his membership on the spot. Up to date of Inspection 36 members had to pay two instalments, each at 20 per Cent of the amount of loan obtained, and two members one instalment only Payments were, however, made as noted below:–

11 paid 2 instalments, but at 10 per cent only

25 – 1 instalment only 3 at 20 per cent and 22 at 10 per cent

2 – the first instalment due by them but at 10 per cent only.

Regulations for payment of Interest were enforced on

The excuse given for such general default is the depression caused by the bad seasons and the prevalence of the Plague. The directors were informed that careful scrutiny and disposal by them of each individual application for further time in respect of any overdue instalments, on its own merits, would be better than passing a general rule the effect of which was to reduce the amount of

future

future instalments.

(17) Hand-loans:— Hand-loans aggregating Rs 320 had been granted to 16 members. Nine repaid the loans within the prescribed time and 3 after due date. The remaining 4 members neither repaid nor renewed their debts, aggregating Rs 70, though the time for repayment had expired. The President and Agent said that these would be recovered early.

Steps to be taken at once with regard to

(18) Mortgage and other documents:— The number of mortgage deeds executed by members in favor of the bank is 38. They are in prescribed form and registered. The amount secured by them is Rs 12,300. The extent of property mortgaged to the bank is 625 acres 8 guntas of arable land and 49 houses all valued at Rs 22,857. In two instances in which joint interests of relations of the members concerned are stated to have been dealt with, powers of attorney from the relations in favor of the members are required, and the President has been asked to have these executed. The mortgage deeds executed by members, with the Bankbooks and discharged bonds relating to them, were all in the personal custody of the ex-President Hanumanta Gauda at his residence at Vokkaliur, four miles from the Bank house, and are

Necessary steps to be taken at once with regard to

are now kept in the house of the present President at Hulkote. Hanumanta Gauda is said to have been of a distrustful disposition and the bank house is considered not safe enough as no one sleeps in it during night. The lodging of the mortgage and reference and title-deeds at the Taluk Treasury at Doddaballapur was suggested to the President and Agent and they have promised to lodge them there in a sealed box after recovering certain discharged documents due. As regards hand-loans receipts are taken in a book.

(b) No copies done at any Taluk

(19) Title-deeds:— All lands mortgaged to the bank, excepting 4 acres and 25 guntas said to have been acquired by purchase by two of the members, are stated to have been obtained from Government upon darkhasts. Pattas in respect of them had not been kept in the bank, but the President and directors assured me that they had examined the pattas before granting loans. As regards lands acquired by purchase one sale-deed is kept in the bank, while another relating to 2 acres and 20 guntas of dry land is said to have been returned to the member Con-

(a) Mr Cowie should safe by himself on his behalf by Hanumanta Gauda

—cerned

36.
1.h)
Irregular

- cerned for production in a court but upon his verbal request and without taking an acknowledgment in writing. The President has been asked to get it back.

(20) Meetings of General Assembly:- The first meeting after incorporation was held on 20th January 1898; after that 9 meetings had been held, but the proceedings of seven of these meetings had not been placed before a subsequent meeting for confirmation, nor had any of the resolutions passed in any of these meetings been sent to the office of the Registrar of Joint Stock Companies for Record. The President and Agent have been informed of the course to be adopted in respect of resolutions of a special nature passed at the meetings referred to, and of the need for special resolutions on the following matters:-

(*) This should be recorded in Court

(i) Re-admission of 3 of the members resigned to whom loans had been given since

(ii) Transfer of membership from the name of Shickhanumi one of the signatories of the Memo. and Articles of Association to the name of her son Naga who was the person actually

actually dealing with the bank and executing documents and acquittances.

(iiii) Penalty leviable on overdue payments.

A meeting convened for the 15th February 1900 was postponed to 18th Idem on account of the President's absence, but there was no record of what transpired on the 18th. The proceedings of the 11th July 1898 have not been signed by any body and those of 15th March 1898, 8th August 1898 and 24th June 1899 by the then President. The proceedings relating to the removal of that President bear no date nor do they give the number of members present and absent at the meeting or mention the name of the gentleman who presided at the meeting, and further some of the signatures under the proceedings appear to have been taken at different times. Hanumanta Gauda had no notice of the meeting nor was he informed of the resolution. The old President having thus been dispensed with, and with him the old Agent, the new President and Agent appointed under the said proceedings at once entered upon their duties without the formalities of taking charge while important documents remained with the old President and Cash balance remained with the Agent.

(5) Such irregularities should be avoided in future.

when

When the old President resigned his membership as noted above about two months later he formally handed over all documents he had to the new President.

(21) Registers Kept:— Sixteen Registers and Accounts inclusive of the 6 mentioned in para 7 of the Articles of Association are kept. Forms were given for a Register of Directors and a Register of Contingent and Establishment charges which are not kept.

Remarks - (i) Register of Members:- Dates of resignation not mentioned in it.

(ii) Register of applications for loans:— Directors' opinion not recorded; purposes for which loans were applied for or granted not specified.

(iii) Cash Book:— Carelessly kept. Contained mistakes, corrections and erasures. In one or two places entries washed with water and written upon. Daily totalling and balancing attempted, but without regard to accuracy.

There was no entry of the sum of Rs 40 contributed by members for the benefit of the bank and paid as consideration for the mortgage of the shed referred to in para 2 above. Date not entered against a receipt of Rs 100 from Treasury on 1-1-1899. Entry altogether omitted of a sum of

of Rs 192-8-0 sent to Treasury 39
on 4-5-1899. Likewise entry
omitted of a sum of Rs 5 noted
in the proceedings of 12th January
1899 as having been given to one
Subbe gauda as a hand-loan.
Expenditure in September 1899
exceeded receipts by Rs 2-4-7
but how this was not was
not shown, nor was the excess
carried forward and adjusted
An attempt was made after
inspection to adjust it by
deducting it from the cash
balance of 12th May 1900, although
the amount had not been
paid to anybody and there
was no entry concerning
it under expenditure. In
October 1899 an entry of Rs 2-15-3
under Receipts was altered into
Rs 4-15-3 and a similar cor-
rection made in the Receipt
Book, but the sum of Rs 2 so
added was not added to
the total or balance and
had to be accounted for by
the former Agent when making
over charge of the ~~books~~, funds
~~&c.~~ in his possession. In
balancing for November 1899
a sum of Rs 4 was found had
been omitted.

(iv)

(iv) Ledger:- The following items of receipts which had been omitted were caused to be supplied at time of inspection.
Rs 20 paid by Thimmappa on 19-3-1900
" 20 - " Adde Hammanta on 5-10-1899

(v) Minute Book:- Vide remarks under the Head Meetings of General Assembly. The minutes are recorded in two books, both unbound, one for 1897-98, the other for 1898-99 and 1899-1900. The President has been asked to use a good bound book. Some of the resolutions are not in proper shape and form.

(vi) Register of Property:- This contained entries only in respect of those members to whom loans had been granted, and in their case too, only of properties mentioned in the mort-gage deeds executed by them. Full lists of the immovable pro-perty held by all the members on the board's roll were caused to be entered, save the landsetc held in the Velavangala Taluk by the ex-President Hammanta Gauda, who had since resigned his membership and the lands acquired by the present

President

President Chanbasvegauda, particulars of which had to be ascertained.

(vii) Receipt Book for payments to members:- not kept in a bound book. The receipt of Subbegauda for payment of Rs 20 to him on 2-3-1900 had not been but was since signed by him.

(viii) Receipt Book for payments by members:- Many of the receipts though filled up had not been signed by the Agent and President and granted to members concerned. This was required to be done and omission of the Agent's signature on the counter-foil of issued receipts was caused to be supplied

(ix) Cheque Book:- This was not used to draw from the Treasury Rs 100 and 75 respectively on 1-1-1899 and 16-5-1899, on which occasions, it was explained, blank receipts, signed by the Agent only, were given

given to the Treasury as the sums had been held under Deposit in the Treasury. This however was no good excuse for not issuing printed cheques in the prescribed form signed by both the President and Agent, nor for the Treasury paying except on such cheques.

Other Registers:- No remarks.

(22) Conclusion:- The ex-President Hammanta Ganda was not in need of any help from the Bank but joined it to oblige the other members and worked disinterestedly to ensure its progress. He was however illiterate and living 4 miles from Hulkmute he could not attend the bank and exercise supervision as constantly and carefully as could be wished. The Agent associated with him was able to write but he was considered unintelligent and sluggish. They relied on the Shanbhogue for the transaction of important clerical duties but he employed incompetent relations of his for the office of clerk and himself was wanting in experience and unscrupulousness. The result was the Cash Book was very badly written and other irregularities crept in as noted above. Hammanta

Ganda

Gauda insisted that the instalments should
be paid punctually and that the sums
recovered should be paid to the Treasury
and not withdrawn for bank's use until
at least half the Government advance
was repaid. From one stand point he
was right, for many of the members had
obtained loans exceeding 50 per cent of the
value of their property, but the members were
anxious to have the time for repayment
extended, to admit new members and to
grant them loans from the sums recov-
ed from them. The action taken by the two
parties has been noted above. Hathimanta Gauda
informed me privately before he made up
his mind to resign that the members
seemed to him to be more thoughtless for loans than could be deemed
prudent, that they were not likely to exert
themselves to discharge their debts within a reasonable time
deposit their savings, that he had lost
confidence in some of them, and that
the Government ought at once to pro-
-ceed to recover its money. The present
President who is the Patel of Atulkhunte
assured me, on the other hand, that
he would do his best to set all matters
right and urged that he had till now
not taken any active part in the control
and management of the bank on the
advice

advice of Hanumanta Gauda himself.
He is intelligent and able to write, and from
what I saw of him I was led to think that
he might bring about improvement in the working of
the bank. He said that he
would arrange to have the accounts
written by the School master or some other
person but the Shanbhogue and endeavour
to collect deposits. The Amildar has been
asked in my Yada dated the 23rd Ultimo
to kindly watch the proceedings of the
bank till another inspection. With
his knowledge of the men forming the bank
and their circumstances, his opinion
as to whether the bank may be allowed
to have further use of the Government
advance or called upon to repay
it at once, will be of value.

Submitted to Government through the Amildar of Doddaballapur
and the Deputy Commissioner, Bangalore District

Dated, Bangalore } Inspector of Agricultural
the 29th June 1900 } Banks in Mysore

I would not advocate the withdrawal
of the Government advance. The bank has
been a blessing to the people benefited by it.
Before its establishment they were in the
clutches of the merchants at Tyamagondlu

who

who charged usurious and ruinous rates of interest and exacted its payment in kind - the debtor had to give away, sometimes, the whole of what he grew and borrow again to pay Govt dues & for his living - the precious fruit of advance by Govt has alleviated the above hardships - If the dry crops had not failed last year, the members would have been able to reduce their liabilities - To demand now the repayment of the Govt loan would, recoin them and in my humble opinion there is no sufficient ground at present necessitating the adoption of that extreme measure - If necessary, the grant of loans hereafter may as a precautionary measure be stopped and the punctual payment of the instalments insisted upon till the value of the property pledged & the Bank comes within the prescribed limit - It is very much to be regretted that Hanumantappa owed a severed his connection with the Bank - He is a respectable & trustworthy old man but wished to enforce the conditions of the loan too strictly in every case without regard to the bad seasons & other uncontrollable circumstances - The present President who is equally trustworthy & respectable is an obliging person & therefore it is necessary that the Govt officials see that instalments do not fall into arrears.

2nd Dec 1900.

Collectors Circular letter

(10)

46

Section Banking
File No S-98
Serial No 6

Read.

Letter No 96 dated the 18th May 1900, from the Deputy Commissioner, Bellary submitting his memo on the inspection of the Agricultural Bank at Kulkunte, Doddaballapur Taluk, made by the Inspector of Agricultural Banks in Mysore on the 29th June 1900.

See Order thereon No S-254-5
R 7-36-97
D 17-1-1901

The early attention of the Deputy Commissioner and of the Inspector of Agricultural Banks is drawn to the following

Ended 29/7/00
29-7-00

Kindly write the letter
Marg the alterations
made in pencil
in 2 places further
down.
N
10/1/01

Please see above as altered.
11-1-07

Issued 11/1

Copy 10/1/01

~~kill the request that a further~~
observations ~~Subject to future~~
~~maybe noted~~
~~report by the Govt of December 1910.~~

97

observations

Reference to the Inspector's memo

Para 5. Non-entry in the register of members as to the removal and readmissions of members &c. -

Para 7 Regarding the ascertainment of particulars of lands newly acquired for note in the register of properties.

Para 9 About the enforcement of the punctual payment of instalments.

Para 11. General view of Bank's transactions.

They ought to have been readmitted formally. The defect should be cured at the earliest opportunity.

The Amildar should see that this is done.

90

An advance of Rs 12,000 ~~has been~~ was sanctioned for the Bank in Govt Pro No 3772 (2) 75 of 22-10-97, he R736-97 a sum of Rs 12100 is stated to have been drawn from the Treasury. ~~in excess by~~ The receipt of Rs 100 ~~Rs 100~~ ~~How about this!~~ calls for explanation.

Inspector may ask the Amildar to explain this matter

para 12. Re irregularities pointed out regarding Cash balance as in the concluding portion of the para.

LCB Such irregularities should not recur

para 13. Limit of loans to individual members.

Additional security to the Extent required must be obtained at once

para 14. Object for which loans were obtained.

The Auditor will see that the recovery of the documents of the discharged debts is attended to, as noted in the concluding portion of the para.

Para 15. Interest & Penalty.

Incorrect entries in the statement submitted by the Bank to the Office of the Inspector of Agri. Banks as alluded to in the Concluding portion of the para do not appear proper.

the Auditor must point this out & why such amount should not be called upon to repay it out of his own pocket?

Para 16. Mortgages and Instalments —

Regular payments must be insisted on.

Para 17. Hand Loans. - Non-payment of the Loan within the prescribed time or — This should be recovered at once with Interest

Para 18. Mortgage and other documents -

(a) Taking powers of attorney from those who are stated to possess pieces within. — The Amildar should see that this is done

(b). Lodging discharged bonds &c in a sealed box at the Taluk Treasury. — This maybe done at an Early date.

Para 19. Title-deeds.

(a) Pattas relating to lands mortgaged to the Bank. — The Amildar should satisfy himself on this point by Examining the Pattas.

(b). Returning the Sale-deed to the party Concerned for promotion in a fourth — Irregular

Meetings of General Assembly.

Para 20. (i) & (ii) - Course to be adopted by the Bank Authorities in respect of resolutions of a Special Nature. (iii). Non-observing — This should be attended to Early.

50

certain formalities to the proceedings relating to the removal of the President-in-

Such irregularities should not ~~have~~ been

2. The recommendations of the Dy: Comm^r / ~~in the matters is accepted~~.

as regards the continuance of the Bank, ~~and~~ the withholding of the grant of further Loans to the parties and the ~~enforce~~ repayment of principal ~~recovery~~ of standing loans being inserted on till the value of the property pledged becomes safe security for the Loans granted are accepted subject to a further report by the end of ~~Dec~~ ~~Feb~~ 1901.

VC 26/2/00 Sd/ Dy.

Do. The Dy: Comm^r Bangalore &c.

The Inspector for Co-op: Banks.

il 28/2/00

H. Stuart.

51

(11)

4719

21/1/01

1901 R2947

From

The Inspector of Agl=
Banks in Mysore

To

THE SECY. TO THE GOVT. OF MYSORE,
GEN & REV. DEPTS.

Section Banking
File No C-98
No. 7

Dated 17th January/01

Despatched

Received

General No. 4
No.

Enclosure No. 4

Subg for reconsideration
certain observations made
in the ~~office~~ Govt. Pro. No.
5254-5 dt 12/11/01 and addrg
R.F. 36-77
his suggestion in con
=nection with the
the Hulkunte Agl=
Bank —

References to be marked.

~~File~~ put up/p
21/1/01

Howrah
17th January 1901.

My dear Sir

With reference to the enclosed order of Government delivered to me here today re the Hulkunte Agricultural Bank I beg to submit the following:-

The observations on "para 11 General view of Bank's transactions" seem to require reconsideration for from the table attached to that para of which copy is enclosed for ready reference it will be seen that during the period in question the bank had paid to Treasury (vide Expenditure side) under the system of current accounts allowed by Govt the sum of Rs. 1456-4. and that the extra amount of Rs. 100 referred to in the order was virtually not in excess of the sanctioned amt of loan. Banks pay into the Treasury what

they can spare from time to time and take back what they want from time to time but up to or within the sanctioned amount of loan. There is a book kept showing all the payments to Treasury as above towards Loan Account, and all the drawings as above from the Treasury and entries in this are initialled by the Treasury Officer. This shows what balance the bank has at its credit at the date of presentation of its cheque, and it is not possible to apply for or pay any excess amount. In presenting a general view of all the transactions of the bank up to date of Report the total of drawings is entered on the "Receipts" side and that of payments is entered on the

expenditure side. The latter has to be deducted from the former, to see to what extent the bank was actually indebted to Govt. at the date of report - and under the head "Govt. Advance" of the Inspector's memo it is noted that the amount so outstanding against the bank was Rs 1064-12- i.e. Rs 1356-4- less than the sanctioned amount of loan. There was thus no excess payment by the Amildar

As regards orders on paras 9, 13, 14, 16, 17, 18(a) - I would venture to suggest that such orders may not be printed and circulated. For, while many of the banks in their infancy are in need of and would do better for such interference and correction from executive officers of Govt., to the outside world as well as to the banks themselves we will be conveying an idea that

these institutions are subordinate to Govt authorities and are bound to carry out their orders on points of internal management. My impression is that they are independent institutions acting under their own articles of Govt - as independent as the Madras Bank itself, and I have been endeavouring to induce the managers of these institutions to realise and act up to that ideal - In virtue of the confidential relationship that I bear to the Deputy Commr & the Government under standing orders, I note all irregularities (even in matters of internal administration) so that they may see whether the Govt did or may be continued or withdrawn - If the observations of Govt are conveyed to the Dy Commr & Inspector, without being wanted in extenso as they now are, the object of Govt will be secured, without destroying the ideal of independence. The Deputy Commr or the Inspector will suggest what needs be done, and if the managers

do not comply or show good cause why they cannot comply the Govt. in extreme cases may proceed to withdraw the loan. I would humbly suggest that the orders of Govt in these matters be very briefly ~~and~~ even vaguely noted in the Abstract portion of the Proceedings Books & not in the Extract portion. If this humble suggestion be considered unsuitable, or if I have overstepped my bounds, I beg I may be excused

With best regards

Yours very obediently

Ramaswami Aiyar

C. Sreenivasaiyar Esq.
Secretary to the Govt of Mysore
Genl & Revenue Depts

Orme (Rev)

(1). Have to [illegible] account for the rent last year in connection with [illegible]?

(2). Do the [illegible] Trustees, if it [illegible] to appear in the Monthly [illegible] in extenso?

(3). The [illegible]

4-1-01

91

BO
22.1.01
Solemnities with means.
22.1.01.

Proceedings of the Government of Mysore.

Read:-

Letter No. D. 98 dated the 18th. July 1900 from the Deputy Commissioner, Bangalore District, submitting a Memo on the inspection of the Agricultural Bank at Hulkunte, Doddaballapur Taluk, made by the Inspector of Agricultural Banks in Mysore on the 20th. June 1900.

Order thereon No. 5754-5 R.F.36-97 Dated Bangalore, 12th. January 1901.

The early attention of the Deputy Commissioner and of the Inspector of Agricultural Banks is drawn to the following observations: —

Reference to the Inspector's Memo.	Observations.
Para 5. Non-entry in the register of Members as to the removal and readmissions of Members &c.	They ought to have been re-admitted formally. The defect should be cured at the earliest opportunity.
Para 7. Regarding the ascertainment of the particulars of lands newly acquired for note in the register of property.	The Amildar should see that this is done.
Para 9. About the enforcement of the punctual payment of instalments.	Do.
Para 11. General view of Bank's transactions.	An advance of Rs. 12000/- was sanctioned for the Bank in Govt. Proc. No. 3772-75/R.F. 36-97 dated 22nd. October 1897, but a sum of Rs. 12100/- is stated to have been drawn from the Treasury. Who is the Amildar that paid this excess amount and why should he not be called upon to repay it out of his own pocket?
The irregularities pointed ...	Such irregularities should

regarding the cash balance &ca. in the concluding portion of the para.	not recur.
Para 13 Limit of loans to individual Members.	Additional security to the extent required must be obtained at once.
Para 14. Object for which loans were obtained.	The Amildar will see that the recovery of the documents of the discharged debts is attended to, as noted in the concluding portion of the para.
Para 15. Interest and Penalty.	Incorrect entries in the statement submitted by the Bank to the office of the Inspector of Agricultural Banks as alluded to i the concluding portion of the para do not appear proper.
Para 16. Mortgages and Instalments.	Regular payments must be insisted on.
Para 17. Hand loans-non-payment of the loan within the prescribed time &ca.	This should be recovered at once with penalty.
Para 18. Mortgage and other documents-	
(a) Taking powers of attorney from those who are stated to possess joint interest.	The Amildar should see that this is done.
(b) Lodging discharged bonds &ca. in a sealed box at the Taluk Treasury.	This may be done at an early date.
Para 19. Title-deeds.	
(a) Pattas relating to lands mortgaged to the Bank.	The Amildar should satisfy himself on this point by examining the pattas.
(b) Returning the sale-deed to the party concerned for production in a Court &ca.	
Para 20. Meetings of General Assembly . (a) (i) and (ii)- Course to be adopted by the Bank [illegible] ment of resolutions of a	Irregular This should be attended to early.

;;ecial nature (iii) Non-observing certain formalaties o the Proceedings relating to the removal of the President.	Such irregularities should not occur again.

2. The recommendations of the Deputy Commissioner as regards the continuance of the Bank, the with-holding of the grant of further loans to the parties and punctual repayment of standing loans being insisted on till the value of the property pledged becomes safe security for the loans granted, are accepted subject to a further report by the end of February 1901.

For Secretary.

To

The Deputy Commissioner, Bar alore District.

The Inspector of Agricultural Banks.

M.S.

61.

Extract from Inspector's Memo on the inspection of the Agricultural Bank at Hulkunte, Doddaballapur Taluk, Bangalore District.

× × × × × × × × × × ×

11. -General view of Bank's transactions :- A general view of the transactions of the bank upto date of inspection is given below :-

Receipts				Expenditure			
From Treasury	12,100	-	-	Paid to Treasury	14,56	4	-
" Depositors	100	-	-	" Depositors (Principal)	100	-	-
" Entrance fee	22	-	-	" Members loan	12,620	-	-
" Interest	1288	6	11	" Government on account of subsist	85	1	3
" Loans repaid	1840	-	-	" Depositors do do	1	5	4
" other items	-	6	-	" Establishment Charges	133	-	-
				" Contingencies	27	8	7
				" other items	31	9	-
Total	15,350	12	11	Total	15,22	12	2

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(13)

No 5849 97.2.01
R436-97

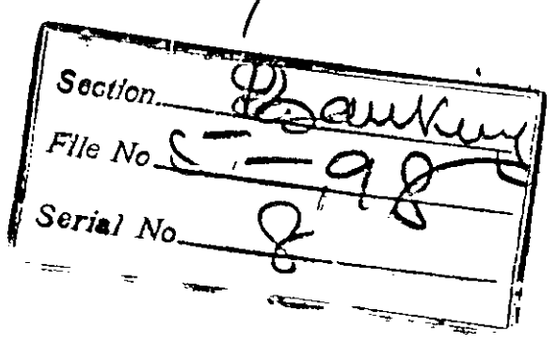
To.

The Inspector,
Agricultural Banks.
Nagpur.

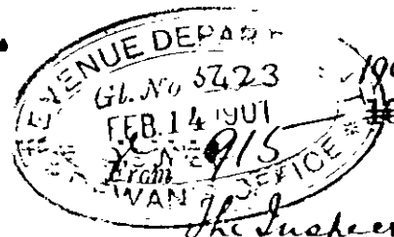
His D.O. letter of the 17 January 1901 on the appe of the Agricultural Bank at Hubli Dharwar, Doddabellapur Taluk.

Has the honor to request the Inspector will point out the mistake e officially in view to its being rectified.

B.O.
V
5/2/01
for Secy



69



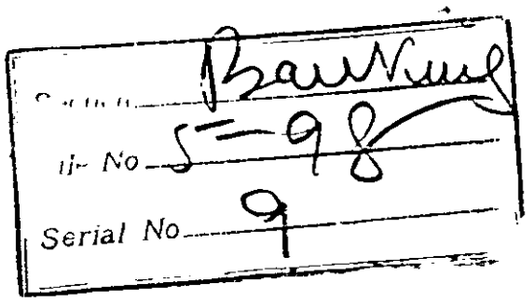
1900-1901 4

~~100~~

From The Inspector of Agricultural Banks in Mysore.

To

The Secretary to Govt. of Mysore.
Genl: and Rev: Depts



Dated 11th February 1901

Despatched 13th do.

Received

General No. 102
No.

Enclosure No. Nil

In reply to Govt. order no. 5-254-5 / R.T.36-97 dated 12-1-1901 and his docket no. 5-849 / R.T.36-97 of 7-2-1901 -

SUBJECT.

Submitting certain explanation for the Consideration and orders of Government to shew that the extra amount of Rs 100 referred to therein was not virtually in excess of the sanctioned amount of loan.

References (to be entered only in the Dewan's Office.)

Rec'd 14-2-01

Refer put up 19-2-01

19/2/01

No 102

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Office of the Inspector of Agricultural Banks in Mysore

Dated, Bangalore, 11th February.

From

The Inspector of Agricultural Banks in Mysore.

To

The Secretary to the Government of Mysore, General and Revenue Departments. Bangalore

Sir,

With preference to the order of Government No 5250-5 R.7.36-97, dated 12th January 1901, regarding the Hulkunte Agricultural Bank and your docket No. 5849/R.7.36-97 of the 7th Instant, I beg to submit the following for the consideration and orders of Government, concerning the observations in the Orders on para 11 of the inspection memo-, "General view of Bank's transactions".

2. It will be seen from the table attached to that para of the Inspection memo that during the period in question the Bank had paid to Treasury (Vide expenditure side) under the system of current accounts allowed by Government, the sum of Rs 1,456-4-0, and that the extra amount of Rs 100 referred to in the order was virtually not in excess of the sanctioned amount of loan. Banks pay into the Treasury what they can, and draw what they require from time to time, but up to or within the sanctioned amount of loan. There is a book kept shewing all payments to Treasury as above towards loan account, and all the drawings as above from the Treasury,

and

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and entries in this book are initialled by the Treasury Offic
His shows what balance the Bank has at its credit at the
of presentation of its cheque, and it is not possible to apply fo
or pay any excess amount. In presenting a general view o
all the transactions of the bank upto date of report, the tot
of drawings is entered on the "Receipts" side, and that of pa
ments is entered on the "Expenditure" side. The latter has
be deducted from the former, to see to what extent the Bank
was actually indebted to Government at the date of report;
and under the head, "Government Advance" of the Memo,
it is noted that the amount po outstanding against the
bank was Rs. 10,643-12-0, i.e., Rs. 1,356-4-0 less than the
sanctioned amount of loan. There had thus been no excess
payment by the Amildar.

I have the honor to be,
Sir,
Your most obedient servant,

B. Ramakrishna Ayyar
Inspector of Agricultural Banks

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No 6652-3
RT 36-97 dt 28/2/01

Section Bankers
File No S-98
Serial No 10

Dist. in Mr. Case (15)

Read

Letter no 102 dt the 11th February 1901, from the Inspector of Agricultural Banks in Mysore, explaining with reference to Govt Pro: no 5254-5 dt RT 36-97 the 12th January 1901, that of the sum of Rs 100 was virtually drawn from the Treasury in excess of the amount of loan sanctioned in Pro: no 3772-75 dt RT 36-97 22nd October 1897 for the benefit of the Agricultural Bank at Hulkunde in the Doddaballapur Taluk.

Order thereon.

Recorded
27/2/01

21/2/01 Telg.

1) To the Dy Comr, Bangalore District

2) To the Inspector of Agrl Banks

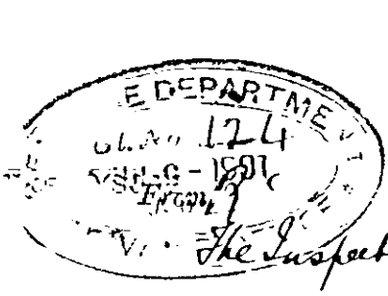
x Serial no 10.

x Serial no 2

The total of drawings is entered on the "Receipts" side & that of payments on the "Expenditure" side; that deducting the former from the latter the balance is less than the sanctioned advance and that

Received and Copied 27/2/01

67

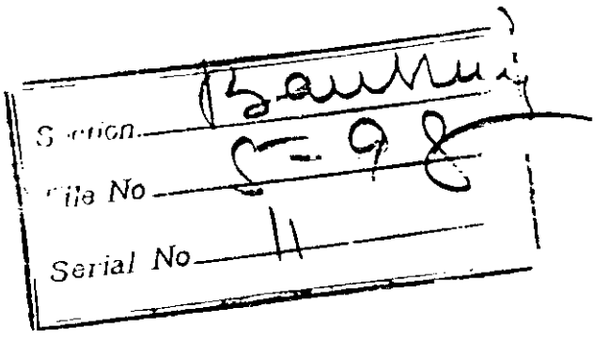


1901-02 ~~189~~ (46)

From The Inspector of Agricultural Banks in Mysore.

To

The Secretary to Govt. of Mysore.
General & Revenue Depts.



Dated 7th July 1901.
Despatched 8th do
Received
General No. 15
No.
Enclosure No. /

~~In reply to~~

SUBJECT.

Submitting copies of letters addressed to the Comptroller in Mysore and the Deputy Commissioner, Bangalore District, in the matter of repayment in part by the Agricultural Bank at Hulkunte, of the Government loan sanctioned therefor.

References (to be entered only in the Dewan's Office.)

1

2

Draft put up 7/8/01

No. 13 68 Bangalore, 7th July 1901

From

The Inspector of Agricultural Banks
in Mysore.

To The Comptroller to the Government of
Mysore.

Sir,

With reference to this office letter No 108 dated 22nd February 1901 on the subject of the repayment of Government loans to Agricultural Banks, I have the honor to state that I learn from the letter of the Amildar of the Doddaballapur Taluk, No. 621 dated the 1st instant that towards the amount of Rs. 3600 due by the Hulikunte Agricultural Bank on account of the 1st, 2nd and 3rd instalments due for the years 1898-99, 1899-00 and 1900-01 the said bank has paid Rs 639 up to the end of June 1901 in addition to the sums previously paid.

The said Bank having thus paid Rs. 2552 inclusive of previous payments as shown in the margin in reduction of the Government loan of Rs 12,000 sanctioned for it in Government Proceedings No. 3772-75 R.J. 36-97 dated 22nd October 1897, I request that you will be so good as to issue instructions to the Treasury Officers Concerned

		R. a. p.	
Left to end of 1898-99	Rs	1076-8-0	
During 1899-00		280-0-0	
" July 00		143. 8-0	
" October 00		350-0-0	
" November		65-0-0	
" May 1901		120-0-0	
" June "		579-0-0	
		1197-8-0	
	Rs	2,554-0-0	

to credit the said sum of Rs. 2,552 under the head of Q of Repayment of loans, and to guard against the bank re-drawing it under the system of Current account.

I have &c.
S of B. Ramaswami Aiyangar
Inspector of Agricultural Banks

No. 14 dated 7th/8th July 1901

Copy of the above is forwarded to the Deputy Commissioner, Bangalore District for information and for favor of instructions being issued about recovering the balance of Rs 1046 during the current year, together with the sum of Rs. 1,200 due for this year.

The 7/8 July 1901

S of B. Ramaswami Aiyangar
Insp. of Agl. Banks.

No. 15 Dated, 8th July 1901

Copy submitted to the Secretary to the Government of Mysore, General and Revenue departments.

The 8th July 1901

B Ramaswami Aiyangar
Inspector of Agricultural
Banks in Mysore

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(17)

Banking
Section
No S-98
Serial No 12

Read
memo
~~Letter~~ No 15 dated
8th July 1901, from the
Inspector of Agricultural
Banks in Mysore, sub-
mitting copies of ~~letters~~ the Communications
addressed by him to the comp-
troller ~~in~~ Mysore, Govt, and the
Deputy Commissioner,
Bangalore district,
in the matter of the repayment
of Rs 2554 up to the end of June 1901
~~in part~~ by the Agricultural
Bank at Anekunte,
~~Lowara~~ of the Government
loan of Rs 2000 sanctioned there-
in vide Dod ballapur Taluk.

No. R.337 / R.F. 36/97. } 25/7/01

Orders thereon

Recorded

~~Secretary~~

17/7/01

For Secretary

Copied
25.7.01

To the Inspector of Agricul
Banks in Mysore